

Goldray Mines Limited

Annual Report



For the Year Ended April 30, 1965

GOLDRAY MINES LIMITED

CAPITALIZATION

	Authorized	Issued
Common Shares	5,000,000	2,528,931

OFFICERS and DIRECTORS

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DIRECTORS

K. B. ANDRAS	Toronto, Ontario
MURRAY AXMITH	Toronto, Ontario
PHILIP A. DYMENT	Toronto, Ontario
WALTER R. PACKMAN	Port Credit, Ontario
B. E. WILLOUGHBY	Toronto, Ontario

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OFFICERS

MURRAY AXMITH	President
K. B. ANDRAS	Vice-President
WALTER R. PACKMAN	Secretary-Treasurer

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TRANSFER AGENTS

Guaranty Trust Company of Canada

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EXECUTIVE OFFICES

Suite 202, 220 Bay St., Toronto

GOLDRAY MINES LIMITED

Suite 202 - 220 Bay Street
TORONTO 1, ONTARIO

Directors' Report

TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the Nova Scotia Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Friday, October 15th, 1965 at 11.00 a.m. The Financial Statements for the year ended April 30, 1965 are also enclosed.

Goldray, in conjunction with the Arthur White group of companies, transferred their interest in the claims held by them in Oke and Ford Townships, Timmins area, to a joint controlled Company, Midray Minerals Limited. Airborne and ground electro-magnetic surveys were completed followed by a diamond drilling programme and although some mineralization was encountered nothing of economic importance was located.

Further work was not warranted on the properties held under option in the Gillies Limit, Cobalt area, the Timagami area in Ontario and the concession held under exploration license in Ireland, and these were allowed to lapse during the year.

In an Interim Report to Shareholders, details of an agreement between Imperial Oil Enterprises Limited, Consolidated Morrison Explorations, Limited, Argor Explorations Limited and Goldray Mines Limited were given. The properties subject to this agreement consist of 192,000 acres held under concession and 340 claims subsequently staked, and are located approximately 50 miles south of Moosonee, Ontario. The ground being explored extends for 60 miles along a major geological feature indicated by government aeromagnetic maps. This geological structure, interpreted to be of a deep-seated nature, is considered favourable for nickel and other base metals.

A low level airborne magnetometer and electromagnetic survey flown during April, May and June, indicated numerous anomalies. Of these, 44 were selected as targets for detailed examination. A helicopter supported geological, geochemical and geophysical programme was conducted during the summer and detailed ground geophysical surveys are continuing.

Pyrite mineralization encountered during the geological mapping is widespread in the area. Indications of disseminated chalcopyrite mineralization were also observed in some locations. Anomalies indicated by airborne survey are being confirmed on the ground. To date, a number of geophysical anomalies indicative of sulphide mineralization have been surveyed and will require testing by diamond drilling. Arrangements for this next phase in the exploration programme are now under negotiation.

It is anticipated that further discussions will be held with Cochenour-Willans with respect to the possible underground exploration of the Company's property in the Red Lake area. In view of the continuing results on the adjoining properties, it is considered that the Company's claims are favourably located for ore depositions at depth.

In the event that you are unable to attend the Meeting, a form of proxy is enclosed for your convenience together with a self-addressed envelope.

On behalf of the Board of Directors,

MURRAY AXMITH,
President.

October 1, 1965.

GOLDRAY MINERALS LIMITED

(Incorporated Under the Laws of the Province of Ontario)

Balance Sheet as at July 9, 1965

ASSETS

CURRENT ASSETS

Cash in banks	\$ 6,592.28	
Deposit receipts	65,000.00	
Due from brokers	4,472.32	
Sundry receivables	356.25	
Deposit — Minister of Industry — Ireland — subsequently received	1,487.50	
Performance bond (Government of Canada) lodged with Department of Mines, Ontario — re exploratory license — James Bay Lowlands	25,000.00	\$ 102,908.35

INVESTMENT IN OTHER COMPANIES

Listed shares — at cost (market value \$169,400.00)	\$104,154.61	
Unlisted shares — nominal value	1.00	
Investment in shares of Midray Minerals Limited — at cost (no quoted market value)	27,158.31	
Investment in shares of other mining company — at cost (no quoted market value)	1,425.00	132,738.92

INTEREST IN PROSPECTING SYNDICATES 8,593.81

HEAD OFFICE FURNITURE AND FIXTURES 1,242.50

MINING PROPERTIES

MINING CLAIMS

Acquired for \$7,500.00 cash and the issue of 626,623 shares of capital stock 466,023.80

EXPLORATION AND DEVELOPMENT, INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES

BALANCE — May 1, 1964	\$615,554.53	
Add: Expenditures for year ended April 30, 1965	8,583.52	
BALANCE — April 30, 1965	\$624,138.05	624,138.05

INCORPORATION AND ORGANIZATION 3,784.88

TOTAL ASSETS \$ 1,339,430.31

The accompanying Note is an integral part of these financial statements and should be read in conjunction therewith.

Subject to Report dated July 9, 1965.

NES LIMITED

(Incorporated in the Province of Ontario)

April 30, 1965

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$	16,865.86	
Due to shareholders re 1942 distribution on realization of capital assets		10,120.31	\$ 26,986.17

CAPITAL STOCK

AUTHORIZED

5,000,000 shares of \$1.00 par value each

ISSUED AND FULLY PAID

2,328,931 shares as at May 1, 1964	\$ 2,328,931.00	
Less: Discount	996,573.58	\$ 1,332,357.42

ISSUED DURING THE YEAR

200,000 shares for cash	\$ 200,000.00	
Less: Discount	120,000.00	80,000.00
2,528,931 shares		\$ 1,412,357.42

DEFICIT ACCOUNT

— as per attached statement	99,913.28	1,312,444.14
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TOTAL LIABILITIES AND CAPITAL \$ 1,339,430.31

Approved on behalf of the Board of Directors:

M. AXMITH, Director.

K. B. ANDRAS, Director.

GOLDRAY MINES LIMITED

Note to Financial Statements

AS AT APRIL 30, 1965

NOTE 1: The accounts of the company's wholly-owned subsidiary Galway Base Metals Limited were not consolidated with those of the company as at April 30, 1965 because the Prospecting License — Ireland which was the only asset of Galway Base metals Limited lapsed during the year and was written off to the deficit account.

STATEMENT OF DEFICIT ACCOUNT FOR THE YEAR ENDED APRIL 30, 1965

BALANCE AT DEBIT — May 1, 1964		\$ 65,857.12
<i>Add:</i> Prospecting license — Ireland (Galway Base Metals Limited) lapsed — written off (Note 1)	\$34,520.00	
Options on mining claims lapsed — written off	3,000.00	37,520.00
		<u>\$103,377.12</u>
<i>Less:</i> Profit on sale of investments		3,463.84
BALANCE AT DEBIT — April 30, 1965		<u><u>\$ 99,913.28</u></u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accompanying Balance Sheet as at April 30, 1965 of Goldray Mines Limited and the related Statement of Deficit Account and Statement of Exploration and Development, including Head Office and Administrative Expenses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and the related Statement of Deficit Account and Statement of Exploration and Development, including Head Office and Administrative Expenses present fairly the financial position of the company as at April 30, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
July 9, 1965.

SOUPCOFF, STARKMAN, KRAFT & CO.,
Chartered Accountants, Auditors.

GOLDRAY MINES LIMITED

STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED APRIL 30, 1965

EXPLORATION AND DEVELOPMENT —

PROVINCE OF ONTARIO

Taxes and licenses	\$ 1,707.98	
Wages	300.00	
Field expenses	224.61	
Insurance	200.00	
	<u>\$ 2,432.59</u>	
Less: Rentals received	708.00	\$1,724.59

HEAD OFFICE AND ADMINISTRATION —

Office salaries	\$ 2,283.34	
Directors' fees	2,200.00	
Administrative salary and expenses	2,000.00	
Legal and audit	1,989.07	
Office rent	1,800.00	
Telephone	1,129.30	
Transfer agent's fees and expenses	965.08	
Office supplies and expenses	700.76	
Printing and shareholders' information	429.72	
Taxes and filing fees	329.03	
	<u>\$13,826.30</u>	
Less: Interest income	\$3,827.37	
Dividend income	3,140.00	6,967.37
		<u>6,858.93</u>
TOTAL EXPLORATION DEVELOPMENT AND ADMINISTRATIVE EXPENSES		<u><u>\$8,583.52</u></u>

GOLDBAY MINES LIMITED

The Financial Editor,
The Globe and Mail,
140 King St.W.,
TORONTO.